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**TRAILBLAZER RESOURCE CONSERVATION
AND DEVELOPMENT AREA, INC.**

FINANCIAL REPORT
DECEMBER 31, 2001

Under provisions of state law, this report is a public document. A copy of this report has been submitted to the clerk of the courts and other appropriate public officials. This report is available for public inspection at the Public Access Office of the Legislative Auditor's office, where appropriate, at the office of the parish clerk of court.

Release Date 7-17-02

**TRAILBLAZER RESOURCE CONSERVATION
AND DEVELOPMENT AREA, INC.**

FINANCIAL REPORT
DECEMBER 31, 2001

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DON M. McGEHEE
(A Professional Accounting Corporation)
P.O. Box 1044
800 North Twicken
Ruston, Louisiana 71270-1044

ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors of
Trailblazer Resource Conservation and Development Area, Inc.
302 Reynolds Drive
Ruston, Louisiana 71270

I have compiled the accompanying statement of financial position of Trailblazer Resource Conservation and Development Area, Inc. as of December 31, 2001, and the related statements of activities and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, I have issued a report, dated June 28, 2002, on the results of my agreed-upon procedures.



Don M. McGehee
Certified Public Accountant

June 28, 2002

**TRAILBLAZER RESOURCE CONSERVATION
AND DEVELOPMENT AREA, INC.**
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2001

ASSETS

CURRENT ASSETS	
Cash and Cash Equivalents	\$ 66,323
Accounts Receivable	2,353
Due from Operators	<u>19,859</u>
TOTAL CURRENT ASSETS	108,535
Property and Equipment - Net of Accumulated Depreciation	<u>126,322</u>
TOTAL ASSETS	\$ 234,857

LIABILITIES AND NET ASSETS

LIABILITIES

CURRENT LIABILITIES	
Accounts Payable	\$ 1,038
Accrued Liabilities	2,734
Current Portion of Long-Term Debt	<u>11,256</u>
TOTAL CURRENT LIABILITIES	<u>15,028</u>
LONG-TERM DEBT	<u>60,506</u>
TOTAL LIABILITIES	<u>75,534</u>
NET ASSETS	
Unrestricted	<u>177,323</u>
TOTAL NET ASSETS	<u>177,323</u>
TOTAL LIABILITIES AND NET ASSETS	\$ 234,857

See accountant's report.

See accompanying notes to financial statements.

**TRAILBLAZER RESOURCE CONSERVATION
AND DEVELOPMENT AREA, INC.**
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2001

CHANGES IN NET ASSETS:

Revenues:	
Grant Revenue	\$ 141,607
Interest Income	3,281
Miscellaneous	4,387
Rent Income	7,150
Sale of Backyard Composters, Merchandise, Newspapers for Recycling and Trees	17,620
Sponsor Dues from Governments	11,000
Support for Programs	
Other	<u>250</u>
Total Unrestricted Revenues	<u>195,295</u>

EXPENSES

Program Services:	
Backyard Composting	108
Litter Abatement	5,004
Nature Tourism	2,000
North Central Louisiana Recycling	100,451
Other	122
Tree Initiative	6,430
Urban Wood Waste Utilization	3,004
Supporting Services:	
Administrative Services:	
Accounting	3,500
Building Repairs and Maintenance	1,783
Depreciation	10,400
Equipment Repairs and Maintenance	1,573
Insurance	3,700
Interest	4,047
Meetings	3,890
Office Supplies	1,501
Other	440
Salaries and Wages	14,770
Telephone and Utilities	3,850
Taxes and Licenses	<u>4,581</u>
Total Expenses	<u>172,895</u>

TOTAL INCREASE IN NET ASSETS	15,380
NET ASSETS - BEGINNING OF YEAR	<u>162,065</u>
NET ASSETS - END OF YEAR	\$ <u>177,445</u>

See accountant's report.

See accompanying notes to financial statements.

**TRAILBLAZER RESOURCE CONSERVATION
AND DEVELOPMENT AREA, INC.**
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2001

CASH FLOWS FROM OPERATING ACTIVITIES

Cash Received from Sponsors and Others	\$ 177,480
Cash Received from Sales and Service Fees	8,480
Interest Income Received	3,381
Cash Payments for Goods and Services	(108,471)
Cash Payments to Employees	(34,889)
Interest Payments	(4,047)
Net Cash Provided by Operating Activities	<u>28,223</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Equipment	(5,157)
Net Cash Used by Investing Activities	<u>(5,157)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Principal Payments on Notes Payable	(13,682)
Net Cash Used by Financing Activities	<u>(13,682)</u>

Net Increase in Cash 8,178

Cash at Beginning of Year 67,023

Cash at End of Year **\$ 75,201**

**RECONCILIATION OF CHANGE IN NET ASSETS TO
NET CASH USED BY OPERATING ACTIVITIES:**

Change in Net Assets	\$ 15,260
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	10,408
(Increase) Decrease in Accounts Receivable	(277)
(Increase) Decrease in Due from Grants	3,690
Increase (Decrease) in Accounts Payable	100
Increase (Decrease) in Accrued Liabilities	(953)
Total Adjustments	<u>13,028</u>
Net Cash Provided by Operating Activities	<u>\$ 28,223</u>

See accountant's report.

See accompanying notes to financial statements.

**TRAILBLAZER RESOURCE CONSERVATION
AND DEVELOPMENT AREA, INC.**
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2001

The Trailblazer Resource Conservation and Development Area, Inc. (Trailblazer) is a Louisiana nonprofit corporation, organized in October, 1966 and chartered in July, 1968. Trailblazer covers an eight parish (i.e., Bienville, Bossier, Claiborne, Jackson, Lincoln, Union, Webster, and Winn) area in north central Louisiana. This corporation is organized to operate for the purpose of educating the people living in the area to accelerate the development, conservation, and wise use of human, financial, and natural resources in order to improve the standard of living and the quality of life in the area. Trailblazer is exempt from federal income tax as an organization described in Section 501 (c) (3) of the Internal Revenue Code. The corporation received their tax exempt status in December, 1968.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF REVENUE RECOGNITION

Trailblazer recognizes sponsor dues, interest income, rent income, service fees, sales, and other income on the accrual basis. Support for programs is recognized in the period received. Grant awards are recognized on an accrual basis, unless the grant is determined to be a conditional promise to give. These grants are classified as refundable advances until the conditions of the grant have been substantially met. Support and contributions are measured at their fair values and are reported as an increase in net assets. Contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consists of cash on hand, cash held in checking accounts, and cash held in the Louisiana Asset Management Pool.

PROPERTY AND EQUIPMENT

Land, buildings, and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful life of the asset, which is as follows:

Buildings	
Permanent	40 years
Portable	15 years
Equipment	3 to 5 years

ADVERTISING COSTS

There were no advertising costs for the year ended December 31, 2001.

VACATION AND SICK LEAVE

There were no accumulated and vested vacation and sick leave benefits at year end.

TRAILBLAZER RESOURCE CONSERVATION AND DEVELOPMENT AREA, INC.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

NOTE 2 - CASH

Cash consists of cash on hand and demand deposits. Deposits are carried at cost which approximates market value. At December 31, 2001, the carrying amount of deposits was \$85,187 and the bank balance was \$101,957; \$17,001 of the bank balance was covered by federal depository insurance and the balance of \$84,956 was invested in the Louisiana Asset Management Pool (LAMIP), which is not insured by the federal depository insurance company. Cash on hand at December 31, 2001, was \$0.

NOTE 3 - PROPERTY AND EQUIPMENT

At December 31, 2001, the costs and related accumulated depreciation of fixed assets consisted of the following:

Land	\$ 15,000
Buildings	135,622
Equipment	<u>30,435</u>
Total Property and Equipment	181,057
Less: Accumulated Depreciation	<u>(135,729)</u>
Net Property and Equipment	\$ <u>45,328</u>

NOTE 4 - LONG TERM DEBT

Trailblazer's obligation at December 31, 2001, under long-term debt consisted of the following:

Note payable due in monthly installments of \$1,693.20 through September, 2005, at a variable interest rate (currently at 4.25%) to Community Trust Bank, collateralized by a mortgage note on Trailblazer's property and building.	\$ 51,841
Less: Current Maturities included in current liabilities	<u>(11,336)</u>
Long Term Debt, Net of Current Maturities	\$ <u>40,505</u>

Maturities of long-term debt at the current interest rate are as follows:

2002	\$11,336
2003	\$11,822
2004	\$12,125
2005	\$12,851
2006	\$4,107
Thereafter	\$0

**TRAILBLAZER RESOURCE CONSERVATION
AND DEVELOPMENT AREA, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004**

NOTE 5 - FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of support and revenues, expenses and changes in fund balances. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

AGREED-UPON PROCEDURES

DON M. McGEHEE
(A Professional Accounting Corporation)
P.O. Box 1394
885 North Tonson
Baton Rouge, Louisiana 71273-1344

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors of
Trailblazer Resource Conservation and Development Area, Inc.
362 Reynolds Drive
Baton Rouge, Louisiana 71270

I have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of the Trailblazer Resource Conservation and Development Area, Inc., the Legislative Auditor, State of Louisiana, and applicable state grantor agency/agencies solely to assist users in evaluating management's assertions about the Trailblazer's compliance with certain laws and regulations during the year ended December 31, 2001, included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Federal, State, and Local Awards

1. Determining the amount of Federal, state and local award expenditures for the fiscal year, by grant and grant year.

Trailblazer's Federal, state and local award expenditures for all Federal, state and local programs for the fiscal year follow:

<u>Grant Name</u>	<u>Grant Year</u>	<u>CFDA#</u>	<u>Amount</u>
Federal Grants:			
Economic Recovery Urban Wood Waste Utilization Study	7/1/00 to 6/30/01	10.670	\$ 137
Economic Recovery Nature Tourism	6/1/01 to 7/31/02	10.670	5,144
Solid Waste Management North Central Louisiana Recycle Program	6/1/00 to 5/31/01	10.762	169,893
Solid Waste Management North Central Louisiana Recycle Program	6/1/01 to 5/31/02	10.762	32,243
Resource Conservation and Development Plan of Work Support	6/1/01 to 6/30/01	10.901	2,000

Grant Name	Grant Year	CFDA#	Amount
State and Local Grants:			
LA Department of Environmental Control Water Assessment Program	5/15/00 to 6/30/01	N/A	\$ <u>8,587</u>
Total Expenditures			\$ <u>162,294</u>

2. For each Federal, state, and local award, I randomly selected six disbursements from each award administered during the period under examination, provided that no more than thirty disbursements would be selected.
- I selected six disbursements from each of five awards administered during the period under examination for a total of thirty disbursements selected.
3. For the items selected in procedure (2), I traced the disbursements to supporting documentation as to proper amount and payee.
- I examined supporting documentation for each of the thirty selected disbursements and found that payment was for the proper amount and made to the correct payee.
4. For the items selected in procedure (2), I determined if the disbursements were properly coded to the correct general ledger account.
- All thirty of the payments were properly coded to the correct general ledger account.
5. For the items selected in procedure (2), I determined whether the disbursements received approval from proper authorities.
- Inspection of documentation supporting each of the thirty selected disbursements indicated approval from the President of the Board of Directors.
6. For the items selected in procedure (2): For federal awards, I determined whether the disbursements complied with the applicable specific program compliance requirements summarized in the Compliance Supplement or contained in the grant agreement; if the program is not included in the Compliance Supplement and for state and local awards, I determined whether the disbursements complied with the grant agreement, relating to:

Activities allowed or unallowed:

I reviewed each of the thirty selected disbursements for types of services allowed or not allowed. All disbursements appear to comply with the allowability requirements because services rendered meet the goals of the programs.

Eligibility

There were no eligibility requirements to be met on any of these programs.

Reporting

I reviewed each of the thirty selected disbursements for reporting requirements. The twelve disbursements selected from the two North Central Louisiana Recovery Grants did not comply with reporting requirements because they could not be traced to any of the Special Use Advance or Reimbursement Reports. Each of the reimbursement requests on these grants were for one-twelfth of the total grant, instead of a reimbursement of expenses.

7. For the programs selected for testing in procedure (2) that had been closed out during the period under review, I compared the close-out report, when required, with the entity's financial records to determine whether the amounts agree.

The thirty disbursements selected included two Federal programs that was closed out during the period of review. A close-out report was not required by these program's grantors.

Meetings

8. I examined evidence indicating that agendas for meetings recorded in the minute book were posted as an open meeting as required by LA-RS 42:1 through 42:12 (the open meetings law).

Trailblazer is only required to post a notice of each meeting and the accompanying agenda on the door of the Trailblazer office building. Although management has asserted that such documents were properly posted, I only found evidence supporting such assertion for five of the eight meetings held in 2001. However, I did find unmarked copies of the notices and agendas for the other three meetings.

Comprehensive Budget

9. For all grants exceeding five thousand dollars, I determined that each applicable federal, state, or local grantor agency/agencies was provided with a comprehensive budget of those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

Trailblazer provided comprehensive budgets to the applicable federal and state grantor agencies for the programs mentioned previously. The budgets provided to federal grantors specified the anticipated uses of the funds and estimates of the duration of the projects. The budget provided to the state grantor included plans showing specific goals and objectives that included measures of performance in addition to the things included in the budgets for the federal grantors.

Prior Comments and Recommendations

10. I reviewed any prior-year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

In the agreed-upon procedures engagement for the year ended (December 31, 2000), there was one finding reported, which has not been resolved. See the Summary Schedule of Prior Year Findings.

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of Trailblazer, the Legislative Auditor (State of Louisiana), and the applicable state grantor agency/agencies and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:1-13, this report is distributed by the Legislative Auditor as a public document.



Don M. McGhee
Certified Public Accountant
June 28, 2002

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Certified Public Accountants)

(Date Transmitted)

Don M. McCaskey

P. O. Box 1344

808 North Trapani

Baton Rouge, LA 70826-1344

(Auditor)

In connection with your completion of our financial statements as of December 31, 2005 and for the period then ended, and as required by Louisiana Revised Statute 24:943 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion of representation).

Federal, State, and Local Awards

We have obtained for you the amount of Federal, state and local award expenditures for the fiscal year, by grant and grant year.

Yes ☒ No ☐

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and grantor officials.

Yes ☒ No ☐

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes ☒ No ☐

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and disallowed, and reporting and budget requirements.

Yes ☒ No ☐

Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by RSA 651:42:1 through 42:12 (the open meetings law).

Yes ☒ No ☐

Budget

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

Yes ☒ No ☐

Prior Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes ☒ No ☐

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any violations in the foregoing representations. We have made available to you documentation relating to the federal, state, and local grants, to include the applicable laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We will also disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance which may occur up to the date of your report.

<u>Joan M. Marshall</u>	Secretary	<u>May 30, 2012</u>	Date
<u>David T. Halpern</u>	Treasurer	<u>May 19, 2012</u>	Date
<u>Walter R. Roberts</u>	President	<u>May 30, 2012</u>	Date

OTHER REPORT

**TRAILBLAZER RESOURCE CONSERVATION
AND DEVELOPMENT AREA, INC.
MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2001**

SECTION 1: AGREED-UPON PROCEDURES

FINDINGS

2001-1, Federal grant reporting requirements. The twelve disbursements selected from the two North Central Louisiana Recycle Grants did not comply with reporting requirements because they could not be traced to any of the Requests for Advance or Reimbursement, Reports.

RESPONSE

Grantor instructed our office to request one-twelfth of total award monthly rather than submitting reimbursement requests for expenses. Grantor also did not request a final report with breakdown of expenditures of grant funds following the budget format.

**TRAILBLAZER RESOURCE CONSERVATION
AND DEVELOPMENT AREA, INC.**
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2001

SECTION 1: AGREED-UPON PROCEDURES

<u>FINDINGS</u>	<u>RESPONSE</u>
2000-1. Federal grant reporting requirements. The six disbursements selected from the North Central Louisiana Recycle Grant did not comply with reporting requirements because they could not be traced to any of the Requests for Advance or Reimbursement Reports.	Unresolved - See 2001-1